



Statewide

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**Statewide
Budget Reserve Trust Fund**

	Revised FY 2006	Requested FY 2007	Requested FY 2008	Enacted FY 2007	Enacted FY 2008
SOURCE OF FUNDS					
General Fund					
Surplus Expenditure Plan	90,250,300				
Special Appropriation				-2,200,000	-29,490,300
Continuing Appropriation	28,764,800	119,015,100	119,015,100	119,015,100	151,815,100
Other				35,000,000	20,000,000
Total General Fund	119,015,100	119,015,100	119,015,100	151,815,100	142,324,800
TOTAL SOURCE OF FUNDS	119,015,100	119,015,100	119,015,100	151,815,100	142,324,800

The Budget Reserve Trust Fund is the Commonwealth's "Rainy Day Fund." KRS 48.705 provides for deposits to the Budget Reserve Trust Fund from direct appropriations, excess receipts, and unexpended appropriations, up to five percent of actual General Fund revenue receipts. These funds are appropriated and available in the event that actual General Fund revenue receipts during the biennium are not sufficient to meet the General Fund appropriation levels authorized in the budget. These funds are also available as a resource for Necessary Governmental Expenses when there is no General Fund surplus.

The balance of the Budget Reserve Trust Fund at the end of fiscal year 2005 was \$28,764,800.

Policy

The Governor exercised the maximum authority provided under the General Fund Surplus Expenditure Plan by allocating \$90,250,300 from the \$214 million General Fund surplus at the end of fiscal year 2005 to the Budget Reserve Trust Fund. This raised the amount in the Budget Reserve Trust Fund to \$119,015,100. This amount represents 1.5 percent of enacted fiscal year 2006 revenues.

The Budget of the Commonwealth provides for both increases to the Budget Reserve Trust Fund and makes appropriations from it:

Part XIX of House Bill 380 amended KRS 131.602 which provides that a tobacco manufacturer not participating in the master settlement agreement shall place funds into a qualified escrow fund. The amendment allows those tobacco manufacturers to voluntarily assign the escrow amount to the benefit of the Commonwealth's General Fund. This includes existing escrow fund amounts. The enacted budget assumes that in fiscal year 2007 \$35 million will be voluntarily assigned to the Commonwealth and deposited into the General Fund, and another \$20 million in fiscal year 2008. The Budget of the Commonwealth appropriates these funds to the Budget Reserve Trust Fund in Part III of House Bill 380. The first \$2,200,000 received each fiscal year from this source is appropriated to the Department of Public Health for smoking prevention and cessation programs.

House Bill 380 as modified by House Bill 557 decreases the Budget Reserve Trust Fund by \$27,290,300 in fiscal year 2008, making that amount available for appropriations elsewhere.

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